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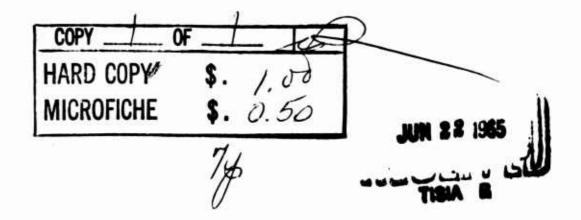
FUNCTIONAL EQUATIONS IN THE THEORY OF DYNAMIC PROGRAMMING—XI: LIMIT THEOREMS

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P-1843

30 November 1959

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SUMMARY

In this paper we wish to present a limit theorem valid for a general class of Markovian decision processes. The result is of interest because of the simple conditions which are imposed and the rather simple argument which is used.

FUNCTIONAL EQUATIONS IN THE THEORY OF DYNAMIC PROGRAMMING--XI: LIMIT THEOREMS

Richard Bellman

1. Introduction

In this paper we wish to present a limit theorem valid for a general class of Markovian decision processes, 1. The result is of interest because of the simple conditions which are imposed and the rather simple argument which is used.

Let p be an element of a finite set P, and q be an element of another finite set Q. We think of p as the state vector of a discrete dynamic programming process, and q as the decision variable at each stage. A choice of q results in a transformation from p to T(p,q), taken to be an element of P, and in a return of b(p,q), a scalar function defined for all p P and q Q.

Denoting by p_1, p_2, \ldots, p_N the succession of states, and by q_1, q_2, \ldots, q_N the sequence of decisions, we have as the overall return of an N-stage process the function

(1)
$$R_N = b(p_1,q_1) + b(p_2,q_2) + \cdots + b(p_N,q_N).$$

We wish to choose the q_1 so as to maximize R_N .

Introducing the function $f_N(p_1)$ defined by the relation

$$f_{N}(p_{1}) = \max_{q} R_{N}$$

for all p_1 P and N = 1,2,..., we have the recurrence relation

(3)
$$f_{N}(p_{1}) = \max_{q_{1}} b(p_{1},q_{1}) + f_{N-1}(T(p_{1},q_{1})),$$

for $N \geq 2$, with

(4)
$$f_1(p_1) = \max_{q_1} b(p_1, q_1).$$

It is reasonable to expect a "steady-state" policy which is approached asymptotically as $N \to \infty$; cf. 2,3,4, for results of this nature. The study of the asymptotic behavior of the sequence $f_N(p_1)$ determined by (3) is a problem of some difficulty, and usually requires some detailed knowledge of the transformation T(p,q) and the function b(p,q). We shall show in what follows that a fairly general result can be easily obtained under mild assumptions. Unfortunately, although we can derive the asymptotic form of $f_N(p)$, we cannot assert the existence of an asymptotic policy. Further assumptions appear to be required for this.

2. Statement of Result

Let us make the following two assumptions:

- (1) (a) $b(p,q) \ge 0$, p P, q Q,
 - (b) T(p,q) is such that by means of a suitable choice of q's, q_1,q_2,\ldots,q_K , it is possible to go from any element p_1 P to any other element p_2 P.

We wish to establish

Theorem. Under the foregoing assumptions, for all p1 P

(2)
$$f_N(p_1) \sim Na$$

as $N \to \infty$, where a is independent of p_1 .

3. Proof of Theorem

Referring to (1.1), we may write

(')
$$f_{m+n}(p_1) = Max [q_1, q_2, \dots, q_m] [b(p_1, q_1) + \dots + b(p_m, q_m) + f_n(T_m)],$$

where T_m is the state attained after the choice of q_1, q_2, \dots, q_m .

Introduce the new sequence $\{u_n\}$ by means of the relation

(2)
$$u_n = \max_{p} f_n(p).$$

Then, it is clear from (1) that

$$(3) \qquad u_{m+n} \le u_m + u_n$$

for $m,n \ge 1$. It is well known that this inequality implies that there exists a constant a such that

(4)
$$u_n \sim na$$

as
$$r \rightarrow \infty$$
, [5].

Let us now show that $f_n(p_1) \sim na$ as $n \to \infty$. Let for each n, p_n be a value of p for which $f_n(p)$ assumes the value $\max_{p} f_n(p)$. Choose a sequence of q's, q_1, q_2, \dots, q_K ,

This result is used in the foregoing fashion by Furstenburg and Kesten in a forthcoming paper.

which transforms p_1 into the value p_{n-M} . We know, by assumptions, that the number of transformations required to go from any point p_1 to any other point is uniformly bounded. Take M to be this bound.

By virtue of the nonnegativity of b(p,q), we have

(5)
$$f_n(p_1) \ge f_{n-K}(p_{n-M}) \ge f_{n-M}(p_{n-M}).$$

Since $f_n(p_1) \le f_n(p_n)$, by definition of the element p_n , we have for large $n \ge n($),

(6)
$$n(a +) \ge f_n(p_n) \ge f_n(p_1) \ge f_{n-M}(p_{n-M}) \ge (n - M)(a -).$$

Hence

$$f_n(p_1)$$
 na

as $n \rightarrow \infty$, the desired result.

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